

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF: MARK MCEWEN

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) No. 0900362  
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NOTICE OF HEARING

TO THE RESPONDENT: Mark McEwen (CRD# 4613500)  
2403 Charann  
Saint Peters, Missouri 63301

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5/1], et seq. (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 300 W. Jefferson, Suite 300A, Springfield, Illinois 62702 on the 19<sup>th</sup> day of May, 2010, at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before Jon K. Ellis or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order should be entered which revokes the salesperson registration of Mark McEwen (the "Respondent") in the State of Illinois and/or granting such other relief as may be authorized under the Act including but not limited to imposition of a monetary fine in the maximum amount of \$10,000 pursuant to Section 11.E.4 of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

1. At all times relevant, the Respondent Mark McEwen (herein, "Respondent") was registered as an Illinois salesperson through World Group Securities, Inc. (hereinafter, "World Group") pursuant to Section 8 of the Illinois Securities Law 815 ILCS 5/1 et seq. (the "Act") and that the Respondent's salesperson registration was terminated in Illinois on September 15, 2008.
2. That on March 23, 2010, the Missouri Secretary of State issued a Final Order to Cease and Desist and an Order Imposing Civil Penalties and Awarding Costs against the Respondent, ordering that the Cease and Desist Order issued on July 9, 2009, (hereinafter, "Order") become final. Said Order prohibited Respondent from violating or materially aiding in any violation of Section 409.5-501, RSMo. (Cum. Supp. 2008) in connection with the offer or sale of securities, making an untrue statement of a material fact or

Notice of Hearing

-2-

omitting to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it is made, not misleading;

3. Said Order stated the following in its Finding of Facts and Conclusion of Law:

- a. That on or about November, 2008, Respondent Mark McEwen solicited and obtained a loan or loans from an Illinois resident, age 83, for a total amount of \$130,000 with a promise to pay 4% interest;
- b. That World Group's policies and Procedures state that a field representative is prohibited from borrowing or lending money unless certain conditions were met;
- c. That Respondent Mark McEwen did not make anyone at Word Group aware of the Illinois resident's loan to Respondent;
- d. That on September 15, 2008, World Group filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") with the CRD system terminating Respondent Mark McEwen's agent registration in Missouri, and that on Respondent's Form U5, World Group stated that the reason for this termination was that the representative improperly obtained funds from a client;
- e. That Respondent Mark McEwen failed to disclose to the Illinois resident that both accepting gifts from a customer in excess of \$100 and accepting loans from a customer were violations of World Group Policies and Procedures Manual;
- f. That Respondent Mark McEwen failed to disclose to the Illinois resident that accepting loans from a customer was a dishonest or unethical practice under the Missouri Code of State Regulations;
- g. That Respondent Mark McEwen failed to disclose that the borrowing of funds from the Illinois resident with a promise to pay the Illinois resident 4% interest was an offer and sale of a security, and that effecting securities transactions not recorded on the books and records of the broker-dealer the agent represents was a dishonest or unethical practice under the Missouri Code of State Regulations;

Notice of Hearing

-3-

4. That NASD Rule 2370 provides, inter alia, that no person associated with a member in any registered capacity may borrow money from or lend money to any customer of such person unless the member has written procedures allowing the borrowing and lending of money between such registered persons and customers of the member and the lending or borrowing arrangements fall within certain conditions so stated within the aforesaid Rule.
5. That the aforesaid loan arrangement between the Respondent and the aforesaid Illinois resident did not fall within the conditions outlined in NASD Rule 2370;
6. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell securities except in accordance with the provisions of the Act;
7. That Section 12.G of the Act provides, inter alia, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading;
8. That Section 8.E.1(b) of the Act states, inter alia, that subject to the provisions of subsection F of Section 11 of the Act, the registration of a salesperson may be suspended or revoked if the Secretary of State finds that the salesperson has engaged in any unethical practice in the offer or sale of securities or in any fraudulent business practice;
9. That Section 8.E.1(k) of the Act states, inter alia, that subject to the provisions of subsection F of Section 11 of the Act, the registration of a salesperson may be suspended or revoked if the Secretary of State finds that a salesperson or investment advisor has had any order entered against him or her after notice of hearing by a securities agency of any state arising from a practice in violation of any statute, rule or regulation administered or promulgated by the agency;
10. That Section 8.E(3) of the Act provides, inter alia, that if no proceeding is pending or instituted and withdrawal

Notice of Hearing

-4-

becomes effective, the Secretary of State may nevertheless institute a revocation or suspension proceeding within two years after withdrawal became effective and enter a revocation or suspension order as of the last date on which registration was effective;

11. That at all times relevant hereto, Respondent Mark McEwen engaged in an unethical practice in the offer or sale of securities in that the Respondent solicited and obtained loans from multiple clients while a registered securities salesperson despite the fact that such loan was prohibited by the rules of the NASD and the policies and procedures of World Group;
12. That at all times relevant hereto, Respondent Mark McEwen obtained money or property through the offer or sale of securities by means of any untrue statement of a material fact or any omission to state a material fact in that Respondent failed to disclose to the Illinois resident that soliciting and accepting loans from clients was a violation of World Group policy and procedures and NASD rules;
13. That by virtue of the foregoing, Respondent Mark McEwen has violated Sections 12.A and 12.G of the Act;
14. That Section 11.E(1) of the Act provides, inter alia, that if the Secretary of State shall find that the offer or sale or proposed offer or sale or method of offer or sale of any securities by any person, whether exempt or not, is being offered or sold in violation of Section 12, the Secretary of State may by written order prohibit the offer or sale of securities by that person;
15. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection G of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
16. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;

Notice of Hearing

-5-


17. By virtue of the foregoing, Respondent Mark McEwen is subject to a fine of up to \$10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure, an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois as well as an order which suspends or revokes his salesperson registration in the State of Illinois;

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer, special appearance or other responsive pleading to the allegations outlined above within thirty days of the receipt of this notice. A failure to file an answer, special appearance or other responsive pleading within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any respondent has upon due notice moved for and obtained a continuance.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated this 29<sup>th</sup> day of March, 2010.

  
JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State  
Johan Schripsema  
Illinois Securities Department  
350 Seright, Suite C  
Harrisburg, Illinois 62946  
Telephone: (618) 253-2007

Hearing Officer:  
Jon K. Ellis  
Attorney at Law  
1035 South 2<sup>nd</sup> St.  
Springfield, Ill 62704  
Telephone: (217) 528-6835